

4/17/02 assessment db updated cm
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

<div data-bbox="1339 382 1458 457" data-label="Text"><p>R</p></div>	
<div data-bbox="548 571 855 697" data-label="Text"><p>W-01380A RAY WATER COMPANY 414 NORTH COURT TUCSON AZ 85701-</p></div>	<div data-bbox="1071 493 1437 756" data-label="Text"><p>ARIZONA CORPORATION COMMISSION RECEIVED APR 15 2002 Director of Utilities</p></div>

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-17-02 cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Ray Water Company

Mailing Address 414 North Court Avenue
(Street)

Tucson
(City)

AZ
(State)

85701
(Zip)

(520) 623-1332
Telephone No. (Include Area Code)

(520) 623-2302
Fax No. (Include Area Code)

N/A
Pager/Cell No. (Include Area Code)

Email Address N/A

Local Office Mailing Address 414 North Court Avenue
(Street)

Tucson
(City)

AZ
(State)

85701
(Zip)

(520) 623-1332
Local Office Telephone No. (Include Area Code)

(520) 623-2302
Fax No. (Include Area Code)

N/A
Pager/Cell No. (Include Area Code)

Email Address N/A

MANAGEMENT INFORMATION

Management Contact: Dorleen Mallis President
(Name) (Title)

414 North Court Avenue
(Street)

Tucson
(City)

AZ
(State)

85701
(Zip)

(520) 623-1332
Telephone No. (Include Area Code)

(520) 623-2302
Fax No. (Include Area Code)

N/A
Pager/Cell No. (Include Area Code)

Email Address N/A

On Site Manager: Dorleen Mallis
(Name)

414 North Court Avenue
(Street)

Tucson
(City)

AZ
(State)

85701
(Zip)

(520) 623-1332
Telephone No. (Include Area Code)

(520) 623-2302
Fax No. (Include Area Code)

N/A
Pager/Cell No. (Include Area Code)

Email Address N/A

See Accountants' Compilation Report

Statutory Agent: Rhonda Rosenbaum

(Name)

414 North Court Avenue
(Street)

Tucson
(City)

AZ
(State)

85701
(Zip)

(520) 623-1332

Telephone No. (Include Area Code)

(520) 623-2302

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: Hugh Holub

(Name)

1180 Circulo Canario
(Street)

Rio Rico
(City)

AZ
(State)

85648
(Zip)

(520) 377-8259

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A		N/A
302	Franchises	700	-0-	700
303	Land and Land Rights	1,540	-0-	1,540
304	Structures and Improvements	13,781	7,313	6,468
307	Wells and Springs	302,936	130,235	172,701
311	Pumping Equipment	127,575	25,317	102,258
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	106,345	73,436	32,909
331	Transmission and Distribution Mains	602,118	311,444	290,674
333	Services	62,330	22,651	39,679
334	Meters and Meter Installations	104,804	64,223	40,581
335	Hydrants	44,797	14,456	30,341
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	2,902	1,086	1,816
340	Office Furniture and Equipment	13,143	838	12,305
341	Transportation Equipment	28,000	3,500	24,500
343	Tools, Shop and Garage Equipment	671	406	265
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	399	295
347	Miscellaneous Equipment	1,253	721	532
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,413,589	656,025	757,564

This amount goes on the Balance Sheet Acct. No. 108 

See Accountants' Compilation Report

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	700	N/A	N/A
303	Land and Land Rights	1,540	N/A	N/A
304	Structures and Improvements	13,781	5.0%	708
307	Wells and Springs	302,936	5.0%	13,946
311	Pumping Equipment	127,575	5.0%	6,116
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	106,345	5.0%	4,877
331	Transmission and Distribution Mains	602,118	5.0%	36,796
333	Services	62,330	5.0%	3,018
334	Meters and Meter Installations	104,804	5.0%	3,187
335	Hydrants	44,797	5.0%	2,157
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	2,902	5.0%	145
340	Office Furniture and Equipment	13,143	5.0%	626
341	Transportation Equipment	28,000	5.0%	1,400
343	Tools, Shop and Garage Equipment	671	5.0%	34
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	5.0%	35
347	Miscellaneous Equipment	1,253	5.0%	63
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,413,589		73,108

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

Less amortization of
contributions in aid of
construction

(1,734)

Net Depreciation

71,374

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 29,380	\$ 21,501
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	292,919	292,998
141	Customer Accounts Receivable	21,039	24,603
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	825	15,671
174	Miscellaneous Current and Accrued Assets	19,031	10,814
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 363,194	\$ 365,587
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,339,214	\$ 1,413,589
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	11,543	82,361
108	Accumulated Depreciation – Utility Plant	595,223	656,025
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	\$ 755,534	\$ 839,925
	TOTAL ASSETS	\$ 1,118,728	\$ 1,205,512

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 299	\$ 12,341
232	Notes Payable (Current Portion)	29,703	0
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	42,213	46,594
236	Accrued Taxes	46,611	24,740
237	Accrued Interest	85	0
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 118,911	\$ 83,675
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	221,230	283,693
255	Accumulated Deferred Investment Tax Credits	8,906	7,942
271	Contributions in Aid of Construction	21,939	23,505
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	14,326	22,994
	TOTAL DEFERRED CREDITS	\$ 266,401	\$ 338,134
	TOTAL LIABILITIES	\$ 385,312	\$ 421,809
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 16,000	\$ 16,000
211	Paid in Capital in Excess of Par Value	41,333	41,333
215	Retained Earnings	676,083	726,370
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 733,416	\$ 783,703
	TOTAL LIABILITIES AND CAPITAL	\$ 1,118,728	\$ 1,205,512

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 479,068	\$ 484,849
460	Unmetered Water Revenue		
474	Other Water Revenues	12,902	12,754
	TOTAL REVENUES	\$ 491,970	\$ 497,603
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 148,470	\$ 158,855
610	Purchased Water		
615	Purchased Power	55,273	56,179
618	Chemicals		
620	Repairs and Maintenance	3,376	10,015
621	Office Supplies and Expense	5,942	2,817
630	Outside Services	20,887	20,483
635	Water Testing		
641	Rents	20,000	20,000
650	Transportation Expenses	2,653	3,182
657	Insurance – General Liability	4,264	4,002
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	10,000	5,000
675	Miscellaneous Expense	6,691	15,969
403	Depreciation Expense	55,821	71,374
408	Taxes Other Than Income	12,497	12,708
408.11	Property Taxes	31,670	37,402
409	Income Tax	15,605	37,049
	TOTAL OPERATING EXPENSES	\$ 393,149	\$ 455,035
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 12,473	\$ 12,398
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	(4,301)	(3,509)
427	Interest Expense	(3,969)	(1,170)
	TOTAL OTHER INCOME/EXP	\$ 4,203	\$ 7,719
	NET INCOME/(LOSS)	\$ 103,024	\$ 50,287

COMPANY NAME

Ray Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	Various			
Source of Loan	Share- holders			
ACC Decision No.	53,267			
Reason for Loan	Plant Improvements			
Dollar Amount Issued	\$ 200,000	\$	\$	\$
Amount Outstanding	\$ -0-	\$	\$	\$
Date of Maturity	Paid off 10/25/01			
Interest Rate	Prime			
Current Year Interest	\$ 1,170	\$	\$	\$
Current Year Principle	\$ 29,703	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 10,840

Meter Deposits Refunded During the Test Year

\$ 723

See Accountants' Compilation Report

COMPANY NAME

Ray Water Company

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-609462	30	175	10"	6" FM
55-609464	40	300	12"	6" FM
55-609465	60	425	12"	6" FM
55-609466	30	260	12"	4" FM
55-800420	60	350	12"	6" FM
55-535561	40	300	12"	6" FM

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 210,836

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	50	N/A
20	1		
15	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	4	5,000	4
		6,000	1
		1,000	1

STATISTICAL INFORMATION

Total number of customers	1,084	
Total number of gallons sold	194,773	gallons

COMPANY NAME Ray Water Company

YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$ 105,110</u>
Estimated or Actual Federal Tax Liability	<u>24,243</u>
State Taxable Income Reported	<u>112,983</u>
Estimated or Actual State Tax Liability	<u>\$ 7,873</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>None</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>None</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

X Dorleen Mallis
SIGNATURE

X 4/1/02
DATE

Dorleen Mallis
PRINTED NAME

President
TITLE

COMPANY NAME Ray Water Company YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 34,535.86

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA
NAME (OWNER OR OFFICIAL) TITLE Dorleen Mallis, President
COMPANY NAME Ray Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

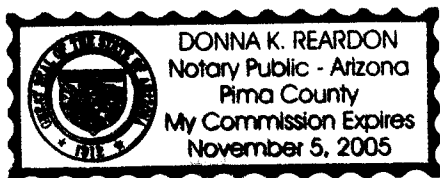
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 526,838

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 29,235

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

X Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL
520-623-1332
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 4TH DAY OF

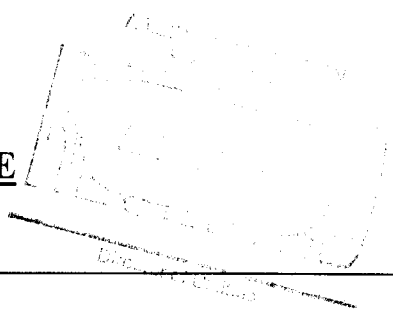
(SEAL)

MY COMMISSION EXPIRES 11-5-05

COUNTY NAME	PIMA
MONTH	APRIL 2002

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) PIMA	
NAME (OWNER OR OFFICIAL) Dorleen Mallis	TITLE President
COMPANY NAME Ray Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

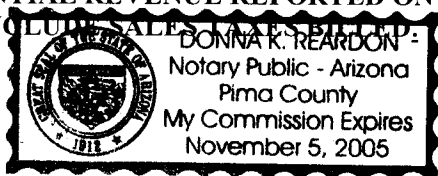
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 449,458

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 25,535
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED:**



X Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

4TH

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME DONNA K. REARDON	
COUNTY NAME PIMA	
MONTH APRIL	2002

X Donna K. Reardon
SIGNATURE OF NOTARY PUBLIC

243756 PIMA COUNTY TAX RECEIPT

ARIZONA



COUNTY	PARCELS	MAP	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	140	06	0090 8	AMOUNTS EXP \$12.26	PAID PAID

THIS IS YOUR RECEIPT FOR PAYMENT OF SECOND HALF 2000 REAL ESTATE TAXES.

Y WATER CO
4 N COURT AVE
CSOON AZ

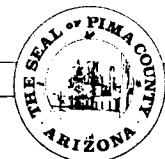
7010000

AMOUNT PAID	DATE
\$12.26	05/01/2001

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER

243757 PIMA COUNTY TAX RECEIPT

ARIZONA



COUNTY	PARCELS	MAP	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	140	35	1670 7	AMOUNTS EXP \$15,709.34	PAID PAID

THIS IS YOUR RECEIPT FOR PAYMENT OF SECOND HALF 2000 REAL ESTATE TAXES.

Y WATER CO
4 N COURT AV
CSOON AZ

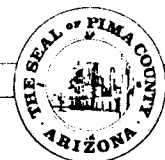
7010000

AMOUNT PAID	DATE
\$15,709.34	05/01/2001

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER

243758 PIMA COUNTY TAX RECEIPT

ARIZONA



COUNTY	PARCELS	MAP	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	140	34	2750 4	AMOUNTS EXP \$11.33	PAID PAID

THIS IS YOUR RECEIPT FOR PAYMENT OF SECOND HALF 2000 REAL ESTATE TAXES.

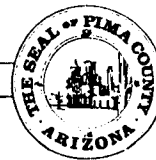
% M REAL ESTATE LTD PARTNERSHIP LLP
TN: DORLEEN G MALLIS & RHONDA M
SENBAUM
4 N COURT AV
CSOON AZ 857010000

AMOUNT PAID	DATE
\$11.33	05/01/2001

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER

243759 PIMA COUNTY TAX RECEIPT

ARIZONA



COUNTY	BOOK	PAGE	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	140	34	0280 4	AMOUNTS EXP \$11.33	PAID	PAID

THIS IS YOUR RECEIPT FOR PAYMENT OF SECOND HALF 2000 REAL ESTATE TAXES.

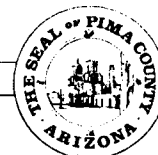
2 M REAL ESTATE LTD PARTNERSHIP LLP
IN: D MALLIS & R ROSENBAUM
4 N COURT AVE
SON AZ
7010000

AMOUNT PAID	DATE
\$11.33	05/01/2001

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER

243760 PIMA COUNTY TAX RECEIPT

ARIZONA



COUNTY	BOOK	PAGE	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	140	35	2050 4	AMOUNTS EXP \$67.97	PAID	PAID

THIS IS YOUR RECEIPT FOR PAYMENT OF SECOND HALF 2000 REAL ESTATE TAXES.

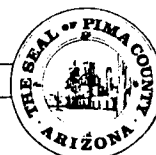
7 WATER CO
4 N COURT AVE
SON AZ
7010000

AMOUNT PAID	DATE
\$67.97	05/01/2001

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER

243761 PIMA COUNTY TAX RECEIPT

ARIZONA



COUNTY	BOOK	PAGE	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	140	34	0180 5	AMOUNTS EXP \$11.33	PAID	PAID

THIS IS YOUR RECEIPT FOR PAYMENT OF SECOND HALF 2000 REAL ESTATE TAXES.

2 M REAL ESTATE LIMITED PRTHSP LLP
IN: D MALLIS & R ROSENBAUM
4 N COURT AVE
SON AZ
7010000

AMOUNT PAID	DATE
\$11.33	05/01/2001

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER

243762 PIMA COUNTY TAX RECEIPT

ARIZONA



COUNTY	BOOK	PAGE	PARCEL	AMOUNT OF TAX	FIRST HALF	SECOND HALF
10	140	34	0810 7	\$11.33	PAID	PAID

THIS IS YOUR RECEIPT FOR PAYMENT OF SECOND HALF 2000 REAL ESTATE TAXES.

& M REAL ESTATE LIMITED PARTNERSHIP
 TNA MALLIS & ROSENBAUM (RAY WATER CO)
 4 N COURT
 TUCSON AZ
 857010000

AMOUNT	DATE
\$11.33	05/01/2001

THANK YOU FOR YOUR PAYMENT.
 BETH FORD
 PIMA COUNTY TREASURER

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-06-0090

TOTAL TAX

\$24.26

DATE PAID

11/01/2001

1ST HALF TAX PAID	\$12.13
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$0.00
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID \$12.13

BALANCE DUE \$12.13

LEGAL PROPERTY ADDRESS

MORTIMORE LOT 20 BLK 11
TOTAL VALUE OF OPERATING PROPERTY
GROUP #220
(FORMERLY 139-09-0090)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

RAY WATER CO
414 N COURT AVE
TUCSON AZ
857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-35-1670

TOTAL TAX

\$37,151.00

DATE PAID

11/01/2001

1ST HALF TAX PAID	\$18,575.50
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$0.00
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$18,575.50
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BALANCE DUE	\$18,575.50
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LEGAL PROPERTY ADDRESS

CORONET PARK NO 1 LOT 164
TOTAL VALUE OF OPERATING PROPERTY
TAXPAYER GROUP NO 220
(FORMERLY 139-33-1670)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

RAY WATER CO
414 N COURT AV
TUCSON AZ
857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-34-2750

TOTAL TAX

\$22.68

DATE PAID

11/01/2001

1ST HALF TAX PAID	\$11.34
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$0.00
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$11.34
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BALANCE DUE	\$11.34
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LEGAL PROPERTY ADDRESS

RAY AMENDED N55' OF LOT 16 EXC TRI II
 THEREOF BLK 12 (WELLSITE) TOTAL VAI
 OPERATING PROPERTY TAXPAYER GROU
 (FORMERLY 139-32-146A)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

R & M REAL ESTATE LTD PARTNERSHIP L
 ATTN: DORLEEN G MALLIS & RHONDA M
 ROSENBAUM
 414 N COURT AV
 TUCSON AZ 857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-34-0280

TOTAL TAX

\$22.68

DATE PAID

11/01/2001

1ST HALF TAX PAID	\$11.34
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$0.00
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$11.34
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BALANCE DUE	\$11.34
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LEGAL PROPERTY ADDRESS

RAY AMENDED LOT 1 BLK 5
RAY WATER COMPANY TOTAL VALUE 0
PROPERTY TAXPAYER GROUP NO 220
(FORMERLY 139-32-0280)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

R & M REAL ESTATE LTD PARTNERSHIP L
ATTN: D MALLIS & R ROSENBAUM
414 N COURT AVE
TUCSON AZ
857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-35-2050

TOTAL TAX

\$135.96

DATE PAID

11/01/2001

1ST HALF TAX PAID

\$67.98

1ST HALF INTEREST PAID

\$0.00

2ND HALF TAX PAID

\$0.00

2ND HALF INTEREST PAID

\$0.00

NSF FEE PAID

\$0.00

RECLAIMED REFUNDS PAID

\$0.00

TOTAL PAID

\$67.98

BALANCE DUE

\$67.98

LEGAL PROPERTY ADDRESS

CORONET PARK NO 2 PARCEL 50' X 75'

BLK 2

TOTAL VALUE OF OPERATING PROPERTY

GROUP NO 220

(FORMERLY 139-33-2050)

*THANK YOU FOR YOUR PAYMENT***Beth Ford****Pima County Treasurer****PIMA COUNTY, ARIZONA**RAY WATER CO
414 N COURT AVE
TUCSON AZ
857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-34-0810

RWC lot

TOTAL TAX

\$22.68

DATE PAID

11/01/2001

1ST HALF TAX PAID	\$11.34
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$0.00
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$11.34
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BALANCE DUE	\$11.34
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LEGAL PROPERTY ADDRESS

RAY AMENDED THAT PT OF LOT 9 BLK 1:
SWAN RD & PT ABAND RD (ABAND 7562/
(FORMERLY 139-32-185B) TOTAL VALUE (C)
PROPERTY-TAXPAYER GROUP NO 55-220

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

R & M REAL ESTATE LIMITED PARTNERSI
ATTN: MALLIS & ROSENBAUM (RAY WAT
414 N COURT
TUCSON AZ
857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-34-0180

#6

TOTAL TAX

\$22.68

DATE PAID

11/01/2001

1ST HALF TAX PAID

\$11.34

1ST HALF INTEREST PAID

\$0.00

2ND HALF TAX PAID

\$0.00

2ND HALF INTEREST PAID

\$0.00

NSF FEE PAID

\$0.00

RECLAIMED REFUNDS PAID

\$0.00

TOTAL PAID

\$11.34

BALANCE DUE

\$11.34

LEGAL PROPERTY ADDRESS

RAY AMENDED LOT 3 BLK 4
RAY WATER COMPANY TOTAL VALUE O
PROPERTY TAXPAYER GROUP NO 220
(FORMERLY 139-32-0180)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

R & M REAL ESTATE LIMITED PRTSHP LLI
ATTN: D MALLIS & R ROSENBAUM
414 N COURT AVE
TUCSON AZ
857010000

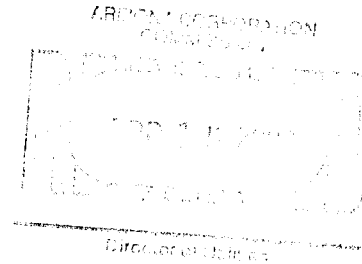
SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

March 27, 2002

Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007



RE: Ray Water Company
Water Utility Annual
Report

Dear Sir/Madam:

Please find enclosed the Annual Report of Water Utility and the accountants' compilation report for the above captioned corporation for the calendar year 2001.

Yours very truly,

SEBY & ASSOCIATES, LTD.

A handwritten signature in black ink, which appears to read "Glenn E. Fydrych".

Glenn E. Fydrych, CPA

GEF:vb
Enclosure

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

Ray Water Company
414 North Court
Tucson, AZ 85701

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, Compliance Section for the year ended December 31, 2001 for Ray Water Company included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, Compliance Section, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, Compliance Section, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Respectfully submitted,



SEBY & ASSOCIATES, LTD.
Certified Public Accountants

March 27, 2002